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## WASHFAX RECEIPT

THE WHITE HOUSE

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MESSAGE NO. 595 CLASSIFICATION UNCLASSIFIED PAGES 4FROM NSC/S (NAME) (EXTENSION) (ROOM NUMBER)MESSAGE DESCRIPTION # 5277

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION	STAT
A	<u>CIA Executive Secretary</u>			
B	<u>State Executive Secretary</u>			
D	<u>DOD Executive Secretary</u>			

REMARKS: \_\_\_\_\_

NSC review completed.

Please Acknowledge Receipt ASAP

Passed to Tom Shull suggestion  
 that on page 2, 124 and  
 Soviet should be deleted  
 because it portrayed an  
 inaccurate situation. He agreed.

7/29/1983

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Let me conclude on the present state of affairs in Central America.

President Reagan has repeatedly stated four basic, sensible, moral and humane goals of our Central America policy. They're so important that they bear repeating again. First, we are committed to supporting the democratic governments of the region and we are committed to fostering the growth of democratic goals, principals and ideals.

Second, we strongly support economic development in Central America and three out of every four dollars of assistance is being used for economic and humanitarian assistance.

Third, it is our goal to initiate meaningful dialogue between nations of the region and within nations of the region. We believe in the resolution of regional problems through discussion and negotiation. We especially believe in the need for dialogue on overall issues of regional security.

Fourth, it is our objective to provide the area with a security shield -- necessary for the development and strengthening of democratic governments and economic growth in those countries threatened by insurgency.

Now, how are we attempting to achieve those four objectives? First, we support the democratically elected governments in Costa Rica, Honduras, and El Salvador. We are encouraging the government of Guatemala in its commitment to hold elections next year. We hope the Nicaraguan government, now beset by a rising tide of opposition, will fulfill its original pledges of pluralistic democratic government. We are willing to facilitate a dialogue between Salvadoran rebels and the legitimate elected government for peaceful resolution of the wide range of issues that separate the sides. We,

seek a dialogue that will encourage rebel forces to participate in free elections. This viewpoint is shared by the government of El Salvador.

In his "State of the nation" speech of July 1, Salvadoran President Magana plainly stated that his government was willing to engage in a dialogue with the rebels on any issue except one -- that being the issue of power sharing. We support President Magana. We not only seek a dialogue between the two sides, we urge the rebels to participate in free elections.

Second, we fully support economic development, and as I said, three-quarters of our aid is for economic development -- that means food and clothing for the hungry and destitute, shelter for the homeless and medical care for the sick, new roads for farmers who bring their crops to market and water supply facilities for urban and rural areas. The President's Caribbean Basin Initiative, now nearing final enactment by the Congress, is further evidence of our support for regional economic progress.

Third, we favor the efforts of all governments to further the goals of security, economic development, freedom and human rights through regional dialogue. We warmly welcome the efforts of Panama, Mexico, Colombia and Venezuela who are leading this effort.

Fourth, we are training local defense forces to combat insurgency movements supported by Nicaragua and Cuba who are funnelling ~~Soviet~~ arms to communist revolutionaries throughout the region. The naval task force, and the joint exercises that American troops will participate in, play a part in the security shield that we seek for the region. We are reassuring the democratic governments of Central America of our willingness to support them and of our commitment to regional security. They underscore our

continuing commitment to collective defense with the nations of this Hemisphere who may be threatened by external attack. These exercises are also intended to encourage and reinforce the diplomatic efforts now underway.

Finally, let me say what the Reagan Administration does not favor for Central America.

-- We are not contemplating sending U.S. troops into combat in Central America.

-- We are not seeking a Vietnam like involvement.

-- We are not trying to overthrow the Nicaraguan government. And let me repeat that: we are not trying to overthrow the Nicaraguan government.

-- We do not seek a return of a Somoza type dictatorship in Nicaragua. There is a democratic alternative.

-- We have not instituted a naval quarantine of Nicaragua.

-- We are not looking for a fight with Fidel Castro.

-- We are not seeking an exclusively military solution to the region.

-- We are not supporting or condoning ring-wing death squads or human rights violations in El Salvador. We are supporting a freely elected government which is struggling to curb these outrages.

-- We have not condoned even the slightest retreat from land reform in El Salvador. We support it more vigorously than ever and our enthusiasm for it has helped keep the program on track.

Despite the propaganda war, there are some encouraging signs. Nicaraguan Foreign Minister Daniel Ortega recently made a six point regional proposal that we believe shows some flexibility. Even now Fidel Castro's most recent speeches conveyed a less belligerent tone

tcward the United States.

I'm confident progress can be made in the region to secure peace and further the principles of democracy. Those objectives are no more important than the humanitarian goals we seek. The U.S. has a proud heritage in assisting the less fortunate throughout the world. As a people we will remain the world's most generous providers for the underprivileged in terms of health care, housing, food, education and other basic necessities designed to improve the quality of life in that region. No nation is providing more humanitarian assistance there than the United States, and we should be proud of these efforts.

I hope you will keep our objectives in mind and give us your support as the President works to further the principles and ideals that we all share.

Thank you very much

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